

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

9 4 - 0 2 1

2. STATE:

Missouri

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

April 2, 1994

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447

7. FEDERAL BUDGET IMPACT:

a. FFY 1994 \$324

b. FFY 1995 \$639

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A
Page 15 and 16

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

Attachment 4.19-A
Page 15 and 16

10. SUBJECT OF AMENDMENT: Hospital Services Reimbursement Plan change implemented during the April - June 1994 quarter. Plan change in reimbursement methodology for out of state hospitals.

11. GOVERNOR'S REVIEW (Check One):

- ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT *LP*
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Gary J. Stangler

14. TITLE:

Director, Department of Social Services

15. DATE SUBMITTED:

June 28, 1994

16. RETURN TO:

Missouri Department of Social Services
Division of Medical Services
P. O. Box 6500
Jefferson City, MO 65102-6500

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
06/30/94

18. DATE APPROVED:
JUN 06 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

4/2/94

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Thomas W. Lenz

22. TITLE:

ARA for Medicaid & State Operations

23. REMARKS:

cc:
Martin
Vadner
Walter

SPA CONTROL

Date Submitted 6/29/94
Date Received 6/30/94

XII. Inappropriate Placements

- A. The hospital per-diem rates as determined under this plan and in effect on October 1, 1981, shall not apply to any recipient who is receiving inpatient hospital care when he is only in need of nursing home care.
1. If a hospital has an established ICF/SNF or SNF only Medicaid rate for providing nursing home services in a distinct part setting, reimbursement for nursing home services provided in the inpatient hospital setting shall be made at the hospital's ICF/SNF or SNF only rate.
 2. If a hospital does not have an established Medicaid rate for providing nursing home services in a distinct part setting, reimbursement of nursing home services provided in the inpatient hospital setting shall be made at the state swing bed rate.
 3. No Medicaid payments will be made on behalf of any recipient who is receiving inpatient hospital care and is not in need of either inpatient or nursing home care.

XIII. Out-of-State and In-State Federally-Operated Hospital Reimbursement

- A. Effective for admissions beginning after April 1, 1994, inpatient services for Missouri Medicaid recipients age twenty-one (21) or older in hospitals located outside Missouri and federally-operated hospitals located within Missouri will be reimbursed at the lower of--
1. The charges for those services; or
 2. The individual recipient's days of care (within benefit limitations) multiplied by the Title XIX per-diem rate of three hundred forty-five dollars and thirteen cents (\$345.13).
- B. Effective for admission beginning after April 1, 1994, inpatient services for children under the age of twenty-one (21) in hospitals located outside Missouri will be reimbursed at the lower of -
1. The charges billed for those services; or

State Plan TN# 94-21
Supersedes TN# 89-24

Effective Date April 2, 1994
Approval Date JUN 06 2001

2. The individual recipients days of care (within benefit limitations) multiplied by the Title XIX per-diem rate established by the host state's Medicaid agency. If the host state does not reimburse inpatient hospital services on a per-diem basis, the per-diem rate shall be six hundred sixty dollars and eighty-nine cents (\$660.89). The inpatient psychiatric limitation (section 15) shall apply.
- C. There will be no adjustments or exemptions to this per-diem rate and no individual rate reconsideration will be performed.
- D. Payments on claims submitted, unless otherwise specified, constitute final payment to hospitals located outside the state of Missouri and to federally-operated hospitals within the state of Missouri on those claims and no year-end cost settlements will be done. Therefore, these hospitals are not required to file Medicaid cost reports with the state of Missouri.

XIV. Reimbursement for inpatient hospital services associated with an admission for the surgical performance of only those human organ and bone marrow transplantations as defined in Attachment 3.1-E is made on the basis of reasonable cost of providing the services as defined and determined by the Division of Medical Services.

The methodology defined in this attachment in sections I. through XIV. for all other inpatient hospital services reimbursement is not applicable to these specific services. Inpatient hospital costs associated with these services are excluded from the per-diem reimbursement rate computation.

State Plan TN# 94-21
Supersedes TN# 89-24

Effective Date April 2, 1994
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APPENDIXFindings, Assurances, Related InformationFindings and Assurances

In conformity with the Title 42 CFR S 447.253(a) and (b), the Department of Social Services/Division of Medical Services (DSS/DMS) makes the following findings and assurances:

- o Inpatient hospital facility rates of payment have been found to be reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.
- o The methods and standards used to determine payment rates take into account the situation of hospitals which serve a disproportionate number of low income patients with special needs.
- o The methods and standards used to determine payment rates provide that reimbursement of hospital patients receiving services at an inappropriate level of care under conditions similar to those described in section 1861(v)(1)(G) of the Act will be made at lower rates, reflecting the level of care actually received, in a manner consistent with section 1861(v)(1)(G).
- o The payment rates are adequate to assure that recipients have reasonable access, taking into account geographic location and reasonable travel time, to inpatient hospital services of adequate quality.
- o The estimated weighted average proposed payment rate is reasonably expected to pay no more in the aggregate for inpatient services to non state-operated facilities than the amount that the agency reasonably estimates would be paid for the services under the Medicare principles of reimbursement.
- o The estimated weighted average proposed payment rate is reasonably expected to pay no more in the aggregate for inpatient services to state-operated facilities than the amount that the agency reasonably estimates would be paid for the services under the Medicare principles of reimbursement.

State Plan TN# 94-21
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- o The payment methodology used by the State for payments to hospitals for medical assistance can reasonably be expected not to increase payments solely as a result of a change of ownership in excess of the increase which would result from application of 42 U.S.C. 1861(v)(1)(O) of the Social Security Act for all changes of ownership which occur on or after July 18, 1984, except for those changes made pursuant to an enforceable agreement executed prior to that date.
- o DSS/DMS provides hospitals with an appeals or exception procedure that allows individual providers an opportunity to submit additional evidence and receive prompt administrative review of payment rates with respect to such issues as DSS/DMS determines appropriate.
- o DSS/DMS requires the filing of uniform cost reports by each participating provider.
- o DSS/DMS provides for periodic audits of the financial and statistical records of participating providers.
- o DSS/DMS published prior notice of said change in accordance with Title 42 CFR Section 447.205 prior to the effective implementation of the change.
- o DSS/DMS pays for inpatient hospital services using rates determined in accordance with methods and standards specified in the approved State Plan.
- o Aggregate payments which are made for inpatient services to state-operated hospitals, when considered separately, do not exceed the amount that can reasonably be estimated would have been paid under Medicare payment principles.

Related Information

In conformity with Title 42 CFR Section 447.255, DSS/DMS is submitting with the findings and assurances the following related information:

- o The estimated weighted average payment rate for inpatient hospital care for in-state facilities, including disproportionate share providers and excluding state operated facilities, out-of-state and federally operated in-state hospitals, is currently \$647.05 per day. This amendment does not alter the per diem rate for any hospital, consequently, there is no change in the average weighted payment rate.

State Plan TN# 94-21
Supersedes TN# _____

Effective Date April 2, 1994
Approval Date MIN. C. 2001

- o This proposed plan amendment to the payment rates paid to out-of-state federally operated hospitals will increase the weighted average rate by \$87.04 from \$345.13 to \$432.17.
- o DSS/DMS does not anticipate that this amendment will have any long-term impact on the availability of services, type of care furnished, or the extent of provider participation on a statewide or geographic area basis.
- o Those hospitals which meet the definition of a disproportionate share provider as set forth in the approved State Plan, will receive a rate adjustment. Based on additional information relating to Title XIX utilization and costs submitted by these providers, rate increases are granted which facilitate reimbursement of a greater percentage of Title XIX costs than that allowed non-disproportionate share providers.
- o The State's Inpatient Hospital Reimbursement Plan provides that a change in ownership/management of a hospital is not subject to review for rate reconsideration. Under the State's current methodology, hospital payment rates do not increase solely as a result of a change in ownership.

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- o The payment rates are adequate to assure that recipients have reasonable access, taking into account geographic location and reasonable travel time, to inpatient hospital services of adequate quality.
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